

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Midwest Independent Transmission)	Docket No. ER02-1422-000
System Operator, Inc.)	

**MOTION TO INTERVENE OF THE STATE OF MICHIGAN
AND NOTICE OF INTERVENTION OF THE
MICHIGAN PUBLIC SERVICE COMMISSION**

Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, the State of Michigan moves to intervene and the Michigan Public Service Commission submits this notice of intervention in the above-captioned proceeding. In support of said motion and notice, the State of Michigan and the Michigan Public Service Commission (collectively "Michigan") state as follows:

1. Copies of all pleadings and correspondence in the proceeding should be addressed to:

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2. The State of Michigan, with its capitol located at Lansing, is a sovereign state of the United States of America, admitted to the Union as the 26th state on January 26, 1837. The State of Michigan, its instrumentalities and subdivisions are significant consumers of natural gas. The State of Michigan intervenes in this matter in its proprietary capacity as a substantial purchaser of electricity. The State of Michigan also intervenes in this matter in its *parens patriae* or quasi-sovereign capacity as guardian of the health, welfare and property of its citizens.

3. The Michigan Public Service Commission is an agency of the State of Michigan, created by 1939 P.A. 3, Mich. Comp. Laws Ann., 460.1, *et seq.*; Mich. Stat. Ann., 22.13(a) *et seq.*, as the Michigan regulatory agency having jurisdiction and authority to control and regulate rates, charges, and conditions of service for the retail sale of electricity within the state. The Michigan Public Service Commission intervenes in this matter pursuant to the authority conferred by applicable statute, rules and procedures.

4. On April 4, 2002, Midwest Independent Transmission System Operator, Inc. (MISO) filed with the Federal Energy Regulatory Commission the Joint Open Access Transmission Tariff (MISO JOATT) for the Midwest Independent Transmission System Operator, Inc. for the Transmission System (Michigan), FERC Electric Tariff, Original Volume No. 2, pursuant to Section 205 of the Federal Power Act and Part 35 of the Commission's Regulations. MISO asserts that its filing is in compliance with the Commission's directive that it assume administration of the Joint Open Access Transmission Tariff between International Transmission Company (ITC) and Michigan Electric Transmission Company (METC), transmission companies that have, in turn,

assumed responsibilities under the joint tariff from Detroit Edison Company and Consumers Energy Company, respectively.¹

5. In the limited time available for review, Michigan understands that the filing would, if implemented, preserve the benefits of the existing JOATT, including the elimination of rate pancaking within Michigan that has been made possible by the existing JOATT since 1997. At the same time, integration of the JOATT facilities into MISO will allow Michigan electric consumers to benefit from access to the MISO OATT through ITC's and Trans-Elect's participation in the Midwest RTO. Michigan remains committed to the pursuit of a single region-wide tariff as a means to achieve an optimally functioning regional market. However, sub-regional tariffs such as the JOATT may be appropriate as a transitional mechanism. With this in mind, and based on the understanding characterized above, Michigan supports MISO's filing as a positive step in the transition to a fully functioning wholesale electric market in the Midwest.²

6. Michigan submits that through its intervention in this proceeding it will represent interests that cannot be adequately represented by any other party and further that its participation herein will be in the public interest.

¹ As MISO explains in its filing, ITC and METC are transmission companies formed by Detroit Edison and Consumers Energy with the intention that ITC and METC's successor (Trans-Elect) become independent transmission companies.

² While Michigan supports the filing, a problem has come to Michigan's attention with respect to Schedule 4A, Original Sheet 120, Energy Imbalances Outside the Deviation Band. The filing retains a \$50/KW penalty for Michigan Electric Transmission Company that would be significantly higher than the parallel ITC provision. This concern was brought to MISO's attention and, in an April 18, 2002 email to the Michigan Public Service Commission, MISO's General Counsel confirmed that MISO had used an incorrect version of METC Schedule 4 in its March 29th filing. The Trans-Elect charge derives from an METC filing that METC has been directed by FERC to modify. MISO's counsel indicated MISO's intention to supplement or correct its filing in this case as soon as there is a corrected Schedule 4 submitted in the METC proceeding. MISO does not object to Michigan's reservation of the right to protest Schedule 4A if the promised change is not made.

WHEREFORE, the Michigan Public Service Commission gives notice of its intervention in this proceeding and the State of Michigan moves that it be permitted to intervene in this proceeding and be accorded all attendant rights and privileges.

Respectfully submitted,

**STATE OF MICHIGAN, MICHIGAN
PUBLIC SERVICE COMMISSION**

By their counsel:

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Dated: April 19, 2002

CERTIFICATE OF SERVICE

I CERTIFY that I have this 19th day of April 2002 served the foregoing document by first-class mail, postage prepaid upon the parties to the proceedings as shown on the Commission's service list.

Harvey L. Reiter

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